

**Change Overview Board (COB) Minutes**  
**Monday 04 April 2016**  
**Ofgem's Offices, 9 Millbank, London SW1P 3GE**

**Attendees**

Les Jenkins (Chair)	(LJ)	Joint Office
Lorna Dupont (Secretary)	(LD)	Joint Office
Adam Carden	(AC)	SSE
Angela Love	(AL)	ScottishPower
Angelita Bradney	(AB)	Ofgem
Colette Baldwin	(CB)	E.ON UK
Graham Wood	(GW)	British Gas
Hazel Ward	(HW)	RWE npower
Joanna Ferguson	(JF)	Northern Gas Networks
Jon Dixon	(JD)	Ofgem
Lorna Lewin	(LL)	DONG Energy
Martin Baker	(MB)	Xoserve
Paul Waite	(PW)	EDF Energy
Richard Pomroy*	(RP)	Wales & West Utilities
Steve Mulinganie*	(SM)	Gazprom
Steve Simmons*	(SS)	Scotia Gas Networks
Vicki Spiers	(VS)	ES Pipelines

*\*via teleconference*

Copies of meeting papers are available at: <http://www.gasgovernance.co.uk/COB/040416>

**1. Introduction**

LJ welcomed all to the meeting.

**2. Review of Minutes**

The minutes of the meeting held on 11 January 2016 were approved.

**3. Planning**

**3.1 Change Horizon - Quarterly Review**

The schematic was displayed and MB presented an overview of the current landscape, drawing attention to the main changes made in the previous Quarter. The potential movement/position across zones of a number of items was then considered on an individual basis.

**Zone 1**

*General Election 2020*

This had been repositioned to the '2-5 years' column.

### *National Grid DN Disposal*

It was suggested this should be repositioned in 'Policy Undefined'.

## **Zone 2**

### *UK Membership of EU*

This had been repositioned to the '1-2 years' column, following announcement of the June 2016 referendum. Impacts will need to be considered, depending on the outcome.

### *Industry Governance*

The final proposals had been reviewed and there was no impact identified for central systems. Closure of this item was recommended and approved.

### *NDS and Central Registration*

Previously identified Events 04 'Switching Evolution' and 05 'Registration Responsibility' had been combined to form this single Event.

It was suggested this should remain in Zone 2, but repositioned to 'Deliverables in Definition'.

## **Zone 3**

### *FGO Part 1*

Transitional arrangements were now in effect, since 01 April 2016. Closure of this item was recommended and approved.

### *Energy Market Investigation*

This had been repositioned, awaiting the final report in June 2016. It was suggested that these be reviewed at COB in July.

Following the publication of the CMA's provisional decision document, MB had reviewed the potential impacts on Gas Central Services. These were outlined at high level in his presentation.

Access to data was discussed. JF gave more information on developments relating to 'Price Comparison Websites' (PCW) access to DES. Referring to the statements made in the CMA document, it was observed that although the CMA's intention is understood it was wrongly assigned - it may not be appropriate to place an order on Xoserve directly. It was believed that Ofgem would hold a 'Non-Movers Database'. It was suggested this area remain on hold until further details become known.

MB then outlined the CMA's perceived role for Ofgem, part of which seems to be reflected in what COB currently undertakes now as far as Gas Central Services is concerned. This was briefly discussed and it was believed that that the COB's experience could be drawn upon to help shape initiatives for cross industry horizon scanning.

### *Tariffs Reform (EU)*

This was still under debate. There were indicative timeframes, with the earliest effective date estimated at end quarter 2018, but more likely to be into 2019. It was suggested it might be repositioned into Zone 2.

### ***Other areas for consideration***

#### *Nexus Phase 2 and RAASP*

It was suggested that Nexus Phase 2 and RAASP be included on the main Change Horizon. This was discussed, and it was agreed that Nexus Release 2 and RAASP should be included, but depicted in separate boxes.

#### *RIIO-GD2 and RIIO-T2 and Supplier Objections*

Responding to Action COB 0103 (*Ofgem's Forward Work Programme* - MB to review and report (to the April meeting) any other areas/impacts identified for the COB's focus) MB reported that he had carried out a review and believed there may be two possible additions: RIIO-GD2 and RIIO-T2, and Supplier objections. These were discussed. It was concluded that RIIO should not be added. It was suggested that MB discuss 'Supplier objections' with AB to define more clearly and review again at the July meeting.

**Action COB 0401: 'Supplier objections' - MB to discuss with AB to define more clearly and review at the July meeting its potential inclusion on Change Horizon.**

#### *NTS Charging Review*

SM queried if this should be separated out from Tariffs. LJ believed there might be significant system changes associated with this area.

JF confirmed that Price Control was more of internal concern to Networks, and explained in more detail.

Separations/inclusions to be considered further.

#### *Performance Assurance Framework Evolution*

HW suggested adding this to the Change Horizon; MB will consider.

### **3.2 Review of 'One Pagers'**

MB advised that two new Event templates had been developed (National Grid Gas Distribution Sale and General Election 2020). No direct impacts on central services had been identified.

### **3.3 PAF Implementation Update**

RP advised that the Performance Assurance Committee (PAC) Terms of Reference would be submitted to the UNC Committee (UNCC) on 21 April 2016. The PAC will then be formed and advise Xoserve on recruitment of the Performance Assurance Framework Administrator (PAFA). The procurement process could then be commenced.

Formation of and election to the PAC was discussed. It was expected that the Joint Office would run an election process alongside the other UNC elections (June - September); there was no intention to run an interim election as the Joint Office had just taken over these responsibilities from the now defunct Gas Forum, and not

everything was in place.

Concerns were then raised about how any appointment (however temporary) might be managed for the interim, as it had been anticipated that a PAC would be formed/operational after April's UNCC meeting. It was questioned how an interim/temporary PAC might be assembled to cover the intervening period. JF referred to the initial AUGÉ process and believed this would be similar. It was then questioned if all should be suspended until the formal election process could be run, or if any ToR should limit the immediate powers to procurement/recruitment only. There were concerns that different skill sets would be required depending on whether parties were to focus on recruitment or, eventually, the wider duties.

RP indicated that it was the responsibility of the UNCC to manage this and would take forward as it deemed appropriate.

### **3.4 Next Review**

The Change Horizon is reviewed quarterly (January, April, July and October). The next review will take place at the meeting to be held on Monday 04 July 2016.

In the meantime MB will revise the Change Horizon to reflect today's discussions and republish.

## **4. Policy Updates**

### **4.1 Ofgem Overview**

The focus this month was directed towards the CMA's provisional decision document, published in March (see 4.3, below).

### **4.2 Switching Significant Code Review (SCR) – (was 'Next Day Switching (NDS) and Central Registration')**

AB gave a presentation, recapping on the objectives, scope and programme phases (activities and roles) and governance. Currently work was being carried on under Phase 1 (Blueprint) and workstreams had been set up to support and input to this phase. It was anticipated that a blueprint would be produced in the autumn to set out what changes to Licences/Codes might look like. However, powers may be given through legislation to make any required changes without recourse to other routes. The aspiration was to have all in place by the end of 2019.

AB briefly summarised the focus of each Workstream and the programme governance, explaining the make up of the higher levels, their purpose and responsibilities. The Blueprint Phase plan was outlined in more detail. An Impact Assessment (IA) was likely to be carried out between February and April 2017. Policy positions will be resolved and Solution architecture will be reviewed (on a spectrum of 'thick' to 'thin') in parallel with process design. External design groups will assess a short list of options. It is anticipated there will be a lot of parallel running to achieve rapid progress. It was noted there was a two month contingency window (for use as appropriate).

A discussion ensued. It was observed that 2019 could be quite challenging, and this may require the application of a certain amount of pragmatism, given the recent experiences with large projects. Parties would prefer to avoid compressed testing phases and having to retain resources unutilised for long periods.

AB advised that the assumptions underlying the plan had been published on Ofgem's website, along with other relevant papers. AB confirmed the new Programme Director Rachel Clark was now in post.

Referring to the RFI, SM said that parties would welcome as much advance notice as possible. AB explained the process and what would happen before it was formally issued. GW suggested that if certain areas were concluded early on, these might be issued as they became available rather than have one RFI to deal with at the end. HW agreed a phasing approach would be good, but parties may not be keen on having to 'revisit' if information had already been provided. MB agreed a 'preview' would be very much welcomed. AB would consider these comments with the EDAG and the best ways of seeking information.

#### **4.3 Early view on CMA remedies/impacts on central systems**

The CMA's provisional decision on remedies had been published in March.

It was believed that Switching and the Priority Service Register were pretty much unaffected by the CMA report, and that the proposals would remain unchanged (implementation in 2017). Debt protocol was still on track. In respect of gas settlement there was wider work to be considered, but not much impact from a systems perspective.

An update on Nexus was expected by the beginning of next week. JD gave a brief summary of the view at present, i.e. that Xoserve was working towards completing RGMA as a whole by 15 April, and it was not planned to be a phased drop into testing. There was still very little documented evidence so the date cannot be formally endorsed at the moment. The situation remains fluid, and better information was expected by 08 April. It was pointed out that RGMA was only one component of a very large and complex programme. All parties were working towards 01 October 2016 and the main concern was to make sure that systems were robust and there would be no adverse impacts on consumers. AL observed that the CMA's views appeared to be predicated on the assumption that systems would be there to handle the frequency of reads; licence change may be required. HW added that it was important to have a functioning system that could cope with updates. Shippers were concerned that all needed to be complete for the package to be workable. JD affirmed there was no proposal to descope other areas at present. Replanning of regression testing was underway, and testing as much as possible as early as possible was prudent. GW observed that the industry was conscious that the current position was not of the 'best', so parties are 'winging it' to a certain extent with degrees of parallelism not generally to be looked for in an ideal world. CB commented that there was a functioning system currently, and there was no point in disrupting anything in pursuit of a particular date. JB reiterated that there was consensus that parties were working towards 01 October 2016, and recognition that it may be sub-optimal but better than any further delay.

AL referred to Performance Assurance. JD believed the proposals themselves were self-explanatory. There were a couple of modifications in the pipeline, but he was conscious that it needs more work for the regime to become effective. It suggests that Ofgem controls it more closely. The regime will be effective as of June next year and there were still discussions to be had on that. JB noted that the CMA is focused on Settlements risk and reducing unallocated gas; the industry will be looking at wider than that for its regime, and Ofgem's scope will therefore be wider. The Performance Assurance Framework is a long term remedy for many outstanding issues. The focus needs to be on getting the Performance Assurance Committee (PAC) up and running and determine what vires it will have to enact its recommendations to implement incentive regimes, etc. A lot might sit outside of UNC and over all the codes; a regime needs to work effectively end-to-end and something similar might be considered on the electricity side. HW noted a reference was made to sanctions. Observing it was a large and complex document, JD did not believe there was anything different to what can be done now; agility was needed in respect of governance, application, self-policing, and an escalation route. JD reiterated the initial focus would be on Settlements (accurate cost allocation) and critical customer transfer data (via CRS);

this may sit outside the traditional Shipper/GT relationship (UNC). There will be a need to review and assess the standard of data post-Nexus. JF referred to 'data drift' between codes and questioned who would decide which data was 'correct'. AC explained about the Communications Service Provider (CSP).

JD advised that following the issue of the CMA's final decisions Ofgem intended to provide an update to COB at its July meeting. This would include a route map of Ofgem's responses to the actions required.

Noting that Ofgem had expected to cover Settlement Evolution at the July meeting, MB asked if this was still pertinent. JD reiterated that Ofgem would present its response to the CMA's final decisions and how it would be taking forward, and then drill down into the Settlement area to see what that might look like and how it can be given effect.

## **5. In-flight Programme Overview**

### **5.1 UK Link Programme Report**

None provided. LJ advised that, in future, verbal updates will be provided via teleconference outside of the COB arrangements (i.e. Nexus Update calls). It is intended these updates will be given immediately following the meetings of the Project Nexus Steering Group (PNSG). See 9.2 below.

## **6. Issues for discussion**

None raised.

## **7. Review of Outstanding Actions**

**COB1001:** *Change Horizon document (hybrid)* - SM to share his own change compilation (appropriately modified) with GE and MB and work together to produce a 'hybrid' for review at the January COB meeting.

**Update:** Noting the updates provided and following a brief discussion, SM agreed this should now be closed. **Closed**

**COB 0101:** *Settlement Evolution* - JD to produce a first draft definition document that is designed to prompt discussion (for meeting on 04 July 2016).

**Update:** Due at the meeting on 04 July 2016. **Carried forward**

**COB 0102:** *EU Reform/Gas Quality Standards* - PL to establish if National Grid NTS anticipated any impacts on the Central Services Provider's systems.

**Update:** No update available. **Carried forward**

**COB 0103:** *Ofgem's Forward Work Programme* - MB to review and report (to the April meeting) any other areas/impacts identified for the COB's focus.

**Update:** See discussions at 3.1, above. **Closed**

**COB 0104:** *Switching SCR* - JD to invite Angelita Bradney to give an overview to the April meeting.

**Update:** Presentation made at this meeting. **Closed**

**COB 0105:** *Switching SCR* - MB to review the Topic template to reassess where this might properly sit, ready for consideration at the April meeting.

**Update:** See discussions at 3.1, above. **Closed**

## **8. Any Other Business**

### **8.1 Review of Terms of Reference (ToR)**

LJ suggested that, given the evolving situation on Nexus programme governance and the move to have Nexus Update calls instead of utilising COB arrangements, it was a good time to review the ToR. From a quick skim, he felt they remained appropriate (in that the COB could still opt to receive delivery reports in the absence of dedicated arrangements such as for Nexus).

**Action COB 0402: *Terms of Reference (ToR)* - All parties to review the ToR, and provide any comments to the Joint Office (by 23 June 2016), for consideration at the July meeting.**

## **9. Diary Planning and Agenda for the next Meeting**

### **9.1 Meeting frequency**

It was observed that the current arrangement of quarterly 'face-to-face' meetings has worked well and it was agreed to continue with this pattern. This could be revisited at any time should particular delivery matters require attention.

### **9.2 Nexus Updates**

LJ clarified that the future Nexus Updates (16 May 2016 and 13 June 2016 currently scheduled) will not be associated with COB. They will be held at the end of the relevant monthly PNSG meeting, with the briefing led by PwC and held via teleconference; it is intended that these should be brief verbal updates on the position of Project Nexus and no meeting papers will be provided. These dates will be added to the Joint Office Events calendar at: [www.gasgovernance.co.uk/Diary](http://www.gasgovernance.co.uk/Diary).

It was noted that meeting dates/formats might be subject to change as PwC's new governance arrangements become clearer. Notifications will be sent out advising of any changes to arrangements as required.

### **9.3 Agenda for the next 'face-to-face' meeting on 04 July 2016**

It is anticipated that the following items will be addressed at the next 'face-to-face' meeting:

- Change Horizon Quarterly Update (*Xoserve*)
- CMA Final Decisions
  - *Ofgem's intended route map to implementation (JD)*
- Policy updates (*Ofgem*)
  - *Settlement Evolution (JD)*
- Review Terms of Reference (*All parties*)
- Issues for discussion

- Review of Outstanding Actions (*All parties*)

Any meeting papers and/or other items for discussion should be submitted by Thursday 23 June 2016 to the Joint Office at: [enquiries@gasgovernance.co.uk](mailto:enquiries@gasgovernance.co.uk).

Unless otherwise notified meetings and updates will take place as follows:

Time/Date	Venue	Programme
10:30, Monday 04 July 2016	Energy UK, Charles House, 5 - 11 Regent Street, London SW1Y 4LR <i>(Rooms LG5 and 6 combined - maximum capacity 20 persons)</i>	<ul style="list-style-type: none"> <li>• Change Horizon Quarterly Review</li> <li>• CMA Final Decisions - <i>Ofgem's intended route map to implementation</i></li> <li>• Settlement Evolution</li> <li>• Review Terms of Reference</li> </ul>
10:30, Monday 10 October 2016	Consort House, Prince's Gate Buildings, 6 Homer Road, Solihull B91 3QQ	<i>To be confirmed</i>

Action Table – Change Overview Board (04 April 2016)					
Action Ref	Meeting Date	Minute Ref	Action	Owner	Status Update
<b>COB 1001</b>	05/10/15	7.0	<i>Change Horizon document (hybrid)</i> - SM to share his own change compilation (appropriately modified) with GE and MB and work together to produce a 'hybrid' for review at the January April COB meeting.	Gazprom (SM), Waters Wye (GE) and Xoserve (MB)	<b>Closed</b>
<b>COB 0101</b>	11/01/16	2.1	<i>Settlement Evolution</i> - JD to produce a first draft definition document that is designed to prompt discussion.	Ofgem (JD)	<i>Due 04 July 2016 meeting</i> <b>Carried forward</b>
<b>COB 0102</b>	11/01/16	2.1	<i>EU Reform/Gas Quality Standards</i> - PL to establish if National Grid NTS anticipated any impacts on the Central Services Provider's systems.	National Grid NTS (PL)	<i>Due 04 July 2016 meeting</i> <b>Carried forward</b>



<b>Action Table – Change Overview Board (04 April 2016)</b>					
<b>Action Ref</b>	<b>Meeting Date</b>	<b>Minute Ref</b>	<b>Action</b>	<b>Owner</b>	<b>Status Update</b>
<b>COB 0103</b>	11/01/16	2.1	<i>Ofgem's Forward Work Programme</i> - MB to review and report (to the April meeting) any other areas/impacts identified for the COB's focus.	Xoserve (MB)	<b>Closed</b>
<b>COB 0104</b>	11/01/16	3.1	<i>Switching SCR</i> - JD to invite Angelita Bradney to give an overview to the April meeting.	Xoserve (MB)	<b>Closed</b>
<b>COB 0105</b>	11/01/16	3.1	<i>Switching SCR</i> - MB to review the Topic template to reassess where this might properly sit, ready for consideration at the April meeting.	Xoserve (MB)	<b>Closed</b>
<b>COB 0401</b>	04/04/16	3.1	'Supplier objections' - MB to discuss with AB to define more clearly and review at the July meeting its potential inclusion on Change Horizon.	Xoserve (MB)	<b>Due 04 July 2016 meeting</b> <b>Pending</b>
<b>COB 0402</b>	04/04/16	8.1	<i>Terms of Reference (ToR)</i> - All parties to review the ToR, and provide any comments to the Joint Office (by 23 June 2016), for consideration at the July meeting.	All parties	<b>Due 04 July 2016 meeting</b> <b>Pending</b>